

January 19, 2026

Q3FY26 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current	Previous		
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,300		2,100	
Sales (Rs. m)	48,023	53,915	48,544	54,526
% Chng.	(1.1)	(1.1)		
EBITDA (Rs. m)	13,804	16,518	14,061	17,093
% Chng.	(1.8)	(3.4)		
EPS (Rs.)	61.2	76.2	62.4	78.7
% Chng.	(1.9)	(3.1)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	39,180	42,847	48,023	53,915
EBITDA (Rs. m)	10,319	11,814	13,804	16,518
Margin (%)	26.3	27.6	28.7	30.6
PAT (Rs. m)	6,596	7,923	9,498	11,829
EPS (Rs.)	42.5	51.0	61.2	76.2
Gr. (%)	19.4	20.1	19.9	24.5
DPS (Rs.)	15.5	16.0	15.0	15.0
Yield (%)	0.8	0.8	0.8	0.8
RoE (%)	20.8	21.4	21.9	22.9
RoCE (%)	25.6	27.0	27.5	28.2
EV/Sales (x)	7.5	6.7	6.0	5.2
EV/EBITDA (x)	28.6	24.4	21.0	17.0
PE (x)	45.3	37.7	31.5	25.3
P/BV (x)	8.7	7.5	6.4	5.3

Key Data

JBCH.BO | JBCP IN

52-W High / Low	Rs.1,939 / Rs.1,303
Sensex / Nifty	83,246 / 25,586
Market Cap	Rs.302bn/ \$ 3,320m
Shares Outstanding	157m
3M Avg. Daily Value	Rs.308.12m

Shareholding Pattern (%)

Promoter's	47.55
Foreign	14.88
Domestic Institution	23.35
Public & Others	14.22
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	6.7	16.5	10.2
Relative	8.9	14.4	1.5

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In line quarter aided by exports

Quick Pointers:

- Guided for 10-12% YoY growth for CDMO business in FY27E.
- Reiterate gross margin guidance of 67-69% in FY26E.

J.B.Chemicals & Pharmaceuticals (JBCP) Q3FY26 adjusted EBITDA growth of 16% YoY was in line with our estimates. We believe JBCP growth momentum to continue driven by 1) geographical expansion of legacy brands 2) improvement in MR productivity 3) scale up in acquired brands 4) launch of new products & therapies 5) scaling up contract manufacturing business and 6) strong FCF generation. Further margins will continue to improve beyond FY27E with grant of perpetual license of acquired opthal portfolio. Mgmt cited transaction with Torrent pharma to be completed by Q4FY26 end and post that another 6-9 months for merger to get completed. Our FY27E/28E EPS stands reduced marginally by 2-3%. We expect EPS CAGR of ~22% over FY25-28E. At CMP, the stock is trading at 25x FY28E EPS. We maintain 'BUY' rating with TP of Rs2,300/share, valuing at 30x FY28E EPS.

- Domestic business momentum continues YoY:** JBCP revenues grew by 10.5% YoY to Rs10.6bn, in line with our estimates. Domestic formulation delivered growth of 10% YoY to Rs 6.2bn. Export formulations up 20% YoY to Rs 3.1bn. Branded export markets performed well. CDMO business declined by 1% YoY. API sales at Rs 210mn; down 16% YoY.
- In line EBITDA; Healthy GMs:** Reported EBITDA came in at Rs 2.95bn up 16% YoY. Margins stood at 27.8%; up 140 bps YoY. Adjusted for ESOP (Rs 90mn), EBITDA was Rs 3.05bn with OPM of 28.6%. GM's increased 190bps YoY and 90bps QoQ to 69%. PAT came in at Rs 1.9bn up 22% YoY, in line with our est. EPS stood at Rs 12.8
- Key concall takeaways: Domestic business** growth was on back of 7% price growth. Witnessed slowdown in acute portfolio more specifically the gastro segment. Chronic remained strong. Key brands continue to perform well. Cilacar T, Nicardia, Cilacar and Sporlac were up 33%/30%/25%/13% each. Reiterated domestic growth guidance at +12% YoY for FY26E with 200-300bps IPM outperformance. Opthal portfolio delivered double digit growth. Monthly run rate to remain steady at Rs 170-180Mn until next quarter.
- CDMO** business reported muted YoY growth given high base in Q3FY25. Quarterly run rate remains stable at Rs 1.15-1.2bn. Guided for 10-12% YoY growth for FY27E. Growth to be supported by strong customer relationships, execution capability and a healthy order book.
- Branded generics:** International growth was largely volume led, especially South Africa. Overall there was strong performance across branded export markets. Management reiterated high single-digit growth guidance for FY26E, with Q4FY26E expected to deliver double-digit growth supported by a strong order book.

- **Other highlights:** Transaction with Torrent Pharma expected to close in Q4FY26E. Post that another 6-9 months for merger to get completed. Rs 400mn ESOP charge likely in FY26E, subject to change in control. Gross margin guidance of 67-69% and EBITDA margins of 28-29% maintained.

Exhibit 1: Q3FY26 Result Overview (Rs mn): Sustainable margins, performance in line

Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var	Q2FY26	QoQ gr. (%)	9M FY26	9M FY25	YoY gr. (%)
Net Sales	10,647	9,635	10.5	10,645	0.0	10,849	(1.9)	32,436	29,685	9.3
Raw Material	3,294	3,167	4.0	3,374	(2.4)	3,455	(4.6)	10,220	9,949	2.7
% of Net Sales	30.9	32.9		31.7		31.8		31.5	33.5	
Personnel Cost	1,914	1,733	10.4	1,880	1.8	1,883	1.7	5,740	5,108	12.4
% of Net Sales	18.0	18.0		17.7		17.4		17.7	17.2	
Others	2,481	2,189	13.3	2,420	2.5	2,416	2.7	7,413	6,574	12.8
% of Net Sales	23.3	22.7		22.7		22.3		22.9	22.1	
Total Expenditure	7,689	7,090	8.5	7,674	0.2	7,753	(0.8)	23,373	21,631	8.1
EBITDA	2,958	2,545	16.2	2,971	(0.4)	3,096	(4.5)	9,063	8,054	12.5
Margin (%)	27.8	26.4		27.9		28.5		27.9	27.1	
Depreciation	454	419	8.1	450	0.8	444	2.0	1,325	1,246	6.3
EBIT	2,505	2,126	17.8	2,521	(0.6)	2,652	(5.5)	7,738	6,808	13.7
Other Income	183	80	128.5	150	21.9	153	19.2	482	238	102.1
Interest	19	26	(27.1)	13	43.4	14	39.3	43	103	(57.8)
PBT	2,669	2,180	22.4	2,657	0.4	2,792	(4.4)	8,176	6,943	17.8
Total Taxes	690	555	24.3	678	1.8	713	(3.3)	2,095	1,805	16.1
ETR (%)	25.8	25.5		25.5		25.6		25.6	26.0	
Minority Interest	-	-		-		-		-		
Reported PAT	1,979	1,625	21.8	1,980	(0.0)	2,078	(4.8)	6,081	5,139	18.3

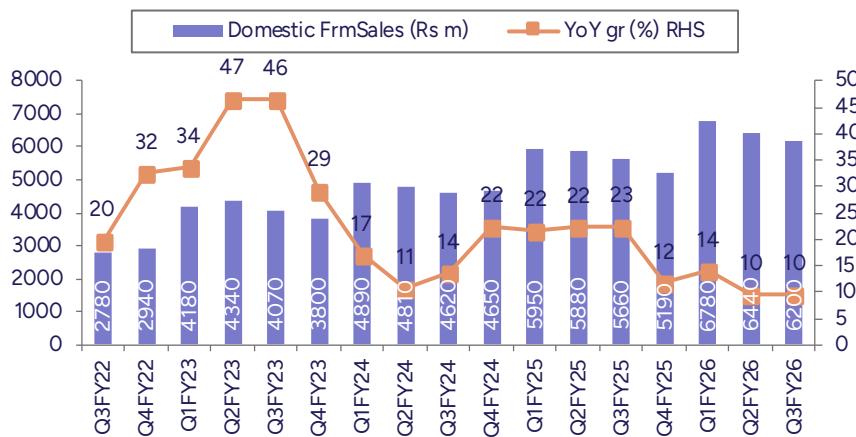
Source: Company, PL

Exhibit 2: Growth backed by domestic portfolio and International business.

Major sources of revenues	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9M FY26	9M FY25	YoY gr. (%)
Domestic Formulations	6,200	5,660	9.5	6,440	(3.7)	19,420	17,490	11.0
Exports	4,440	3,970	11.8	4,410	0.7	13,010	12,186	6.8
Formulations	3,060	2,540	20.5	3,060	-	8,950	8,440	6.0
CMO	1,170	1,180	(0.8)	1,130	3.5	3,450	3,176	8.6
APIs	210	250	(16.0)	220	(4.5)	610	570	7.0
Other	-	-		-		0	-	#DIV/0!
Net Revenues	10,640	9,630	10.5	10,850	(1.9)	32,430	29,676	9.3

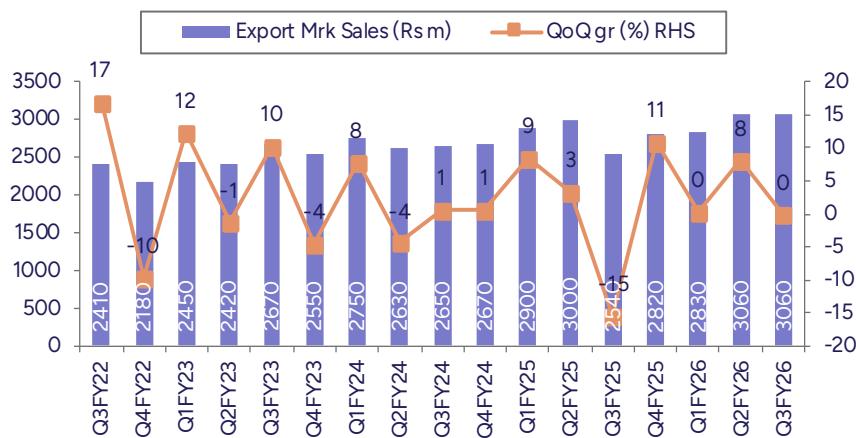
Source: Company, PL

Exhibit 3: Steady growth across portfolio YoY



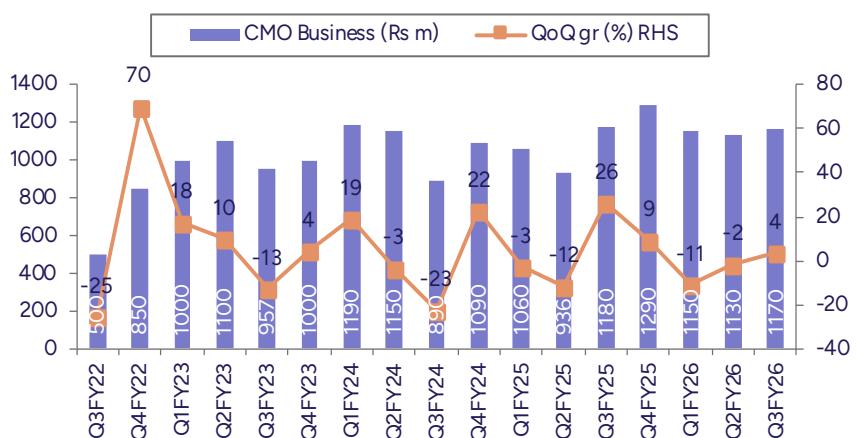
Source: Company, PL

Exhibit 4: Strong performance across branded export markets



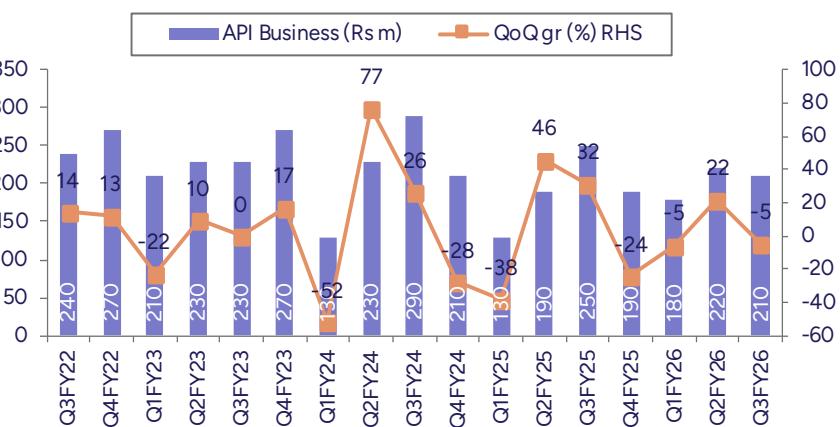
Source: Company, PL

Exhibit 5: High base impacted growth



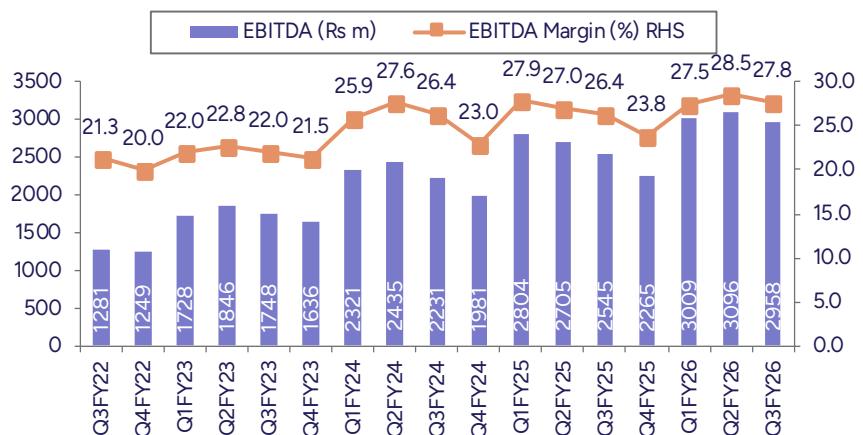
Source: Company, PL

Exhibit 6: API business witness muted performance



Source: Company, PL

Exhibit 7: Margins adj for ESOP at 28.6%



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	39,180	42,847	48,023	53,915
YoY gr. (%)	12.5	9.4	12.1	12.3
Cost of Goods Sold	13,166	13,497	15,127	16,714
Gross Profit	26,015	29,350	32,896	37,201
Margin (%)	66.4	68.5	68.5	69.0
Employee Cost	6,876	7,701	8,471	9,318
Other Expenses	8,820	9,834	10,621	11,364
EBITDA	10,319	11,814	13,804	16,518
YoY gr. (%)	15.0	14.5	16.8	19.7
Margin (%)	26.3	27.6	28.7	30.6
Depreciation and Amortization	1,710	1,775	1,854	1,910
EBIT	8,608	10,039	11,950	14,608
Margin (%)	22.0	23.4	24.9	27.1
Net Interest	117	65	50	30
Other Income	383	660	850	1,300
Profit Before Tax	8,874	10,634	12,750	15,878
Margin (%)	22.6	24.8	26.5	29.5
Total Tax	2,278	2,712	3,251	4,049
Effective tax rate (%)	25.7	25.5	25.5	25.5
Profit after tax	6,596	7,923	9,498	11,829
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	6,596	7,923	9,498	11,829
YoY gr. (%)	19.4	20.1	19.9	24.5
Margin (%)	16.8	18.5	19.8	21.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6,596	7,923	9,498	11,829
YoY gr. (%)	19.4	20.1	19.9	24.5
Margin (%)	16.8	18.5	19.8	21.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,596	7,923	9,498	11,829
Equity Shares O/s (m)	155	155	155	155
EPS (Rs)	42.5	51.0	61.2	76.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	29,616	29,981	40,346	40,711
Tangibles	16,445	17,410	28,374	29,339
Intangibles	13,171	12,571	11,971	11,371
Acc: Dep / Amortization	10,345	12,121	13,975	15,885
Tangibles	10,345	12,121	13,975	15,885
Intangibles	-	-	-	-
Net fixed assets	19,271	17,860	26,371	24,826
Tangibles	6,099	5,289	14,400	13,455
Intangibles	13,171	12,571	11,971	11,371
Capital Work In Progress	467	467	467	467
Goodwill	575	575	575	575
Non-Current Investments	280	129	129	129
Net Deferred tax assets	(1,689)	(1,689)	(1,689)	(1,689)
Other Non-Current Assets	2,717	2,717	2,717	2,717
Current Assets				
Investments	3,171	3,171	3,171	3,171
Inventories	5,290	5,869	6,579	7,386
Trade receivables	8,154	8,569	9,342	10,488
Cash & Bank Balance	1,295	7,726	5,520	15,307
Other Current Assets	1,430	1,430	1,430	1,430
Total Assets	42,738	48,603	56,389	66,584
Equity				
Equity Share Capital	155	155	155	155
Other Equity	34,178	39,617	46,787	56,289
Total Networth	34,333	39,772	46,942	56,444
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	308	308	308	308
Current Liabilities				
ST Debt / Current of LT Debt	138	138	138	138
Trade payables	4,107	4,461	5,000	5,613
Other current liabilities	2,079	2,151	2,228	2,308
Total Equity & Liabilities	42,738	48,603	56,389	66,584

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	8,874	10,634	12,750	15,878
Add. Depreciation	1,710	1,775	1,854	1,910
Add. Interest	117	65	50	30
Less Financial Other Income	383	660	850	1,300
Add. Other	257	-	-	-
Op. profit before WC changes	10,959	12,474	14,654	17,818
Net Changes-WC	72	(569)	(866)	(1,260)
Direct tax	(2,007)	(2,712)	(3,251)	(4,049)
Net cash from Op. activities	9,024	9,194	10,537	12,510
Capital expenditures	(1,192)	(965)	(10,965)	(965)
Interest / Dividend Income	-	-	-	-
Others	(1,767)	-	-	-
Net Cash from Inv. activities	(2,959)	(965)	(10,965)	(965)
Issue of share cap. / premium	240	-	-	-
Debt changes	(3,439)	-	-	-
Dividend paid	(2,370)	(2,483)	(2,328)	(2,328)
Interest paid	(96)	(65)	(50)	(30)
Others	(60)	751	600	600
Net cash from Fin. activities	(5,726)	(1,797)	(1,778)	(1,758)
Net change in cash	339	6,431	(2,206)	9,787
Free Cash Flow	7,832	8,229	(428)	11,545

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	42.5	51.0	61.2	76.2
CEPS	53.5	62.5	73.1	88.5
BVPS	221.2	256.3	302.5	363.7
FCF	50.5	53.0	(2.8)	74.4
DPS	15.5	16.0	15.0	15.0
Return Ratio(%)				
RoCE	25.6	27.0	27.5	28.2
ROIC	22.5	26.6	25.1	30.4
RoE	20.8	21.4	21.9	22.9
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.3)	(0.2)	(0.3)
Net Working Capital (Days)	87	85	83	83
Valuation(x)				
PER	45.3	37.7	31.5	25.3
P/B	8.7	7.5	6.4	5.3
P/CEPS	36.0	30.8	26.3	21.8
EV/EBITDA	28.6	24.4	21.0	17.0
EV/Sales	7.5	6.7	6.0	5.2
Dividend Yield (%)	0.8	0.8	0.8	0.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	9,495	10,939	10,849	10,647
YoY gr. (%)	10.2	8.9	8.4	10.5
Raw Material Expenses	3,216	3,471	3,455	3,294
Gross Profit	6,278	7,468	7,394	7,353
Margin (%)	66.1	68.3	68.2	69.1
EBITDA	2,265	3,009	3,096	2,958
YoY gr. (%)	14.3	7.3	14.5	16.2
Margin (%)	23.8	27.5	28.5	27.8
Depreciation / Depletion	464	427	444	454
EBIT	1,800	2,582	2,652	2,505
Margin (%)	19.0	23.6	24.4	23.5
Net Interest	15	11	14	19
Other Income	145	146	153	183
Profit before Tax	1,930	2,716	2,792	2,669
Margin (%)	20.3	24.8	25.7	25.1
Total Tax	473	692	713	690
Effective tax rate (%)	24.5	25.5	25.6	25.8
Profit after Tax	1,457	2,024	2,078	1,979
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,457	2,024	2,078	1,979
YoY gr. (%)	15.5	14.4	19.1	21.8
Margin (%)	15.3	18.5	19.2	18.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,457	2,024	2,078	1,979
YoY gr. (%)	15.5	14.4	19.1	21.8
Margin (%)	15.3	18.5	19.2	18.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,458	2,025	2,079	1,980
Avg. Shares O/s (m)	155	155	155	155
EPS (Rs)	9.4	13.0	13.4	12.8

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Domestic Formulations	21,780	24,268	27,223	30,643
Contrast Media	900	1,008	1,129	1,264
Sanzyme	2,587	3,027	3,542	4,144
Export Formulations	11,280	12,067	13,306	14,640
Contract Manufacturing	4,460	4,683	5,479	6,411
API business	760	821	886	957

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	BUY	2,100	1,933
2	12-Nov-25	BUY	2,100	1,820
3	08-Oct-25	BUY	2,030	1,657
4	31-Jul-25	BUY	2,030	1,778
5	08-Jul-25	BUY	2,030	1,633
6	16-May-25	BUY	2,030	1,641
7	08-Apr-25	BUY	2,075	1,518
8	06-Feb-25	BUY	2,075	1,716

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ajanta Pharma	BUY	3,200	2,854
2	Apollo Hospitals Enterprise	BUY	8,600	7,087
3	Aster DM Healthcare	BUY	775	615
4	Aurobindo Pharma	BUY	1,300	1,235
5	Brigade Enterprises	BUY	1,045	843
6	Cipla	Accumulate	1,675	1,468
7	Divi's Laboratories	Accumulate	7,050	6,643
8	Dr. Reddy's Laboratories	Reduce	1,270	1,243
9	Eris Lifesciences	BUY	1,900	1,553
10	Fortis Healthcare	BUY	1,120	915
11	Global Health	BUY	1,375	1,238
12	HealthCare Global Enterprises	BUY	850	657
13	Indoco Remedies	Hold	325	225
14	Ipca Laboratories	BUY	1,600	1,514
15	J.B. Chemicals & Pharmaceuticals	BUY	2,100	1,933
16	Jupiter Life Line Hospitals	BUY	1,750	1,393
17	Krishna Institute of Medical Sciences	BUY	810	654
18	Lupin	BUY	2,400	2,214
19	Max Healthcare Institute	BUY	1,350	1,051
20	Narayana Hrudayalaya	BUY	2,100	1,901
21	Oberoi Realty	Accumulate	1,820	1,647
22	Prestige Estates Projects	BUY	1,880	1,500
23	Rainbow Children's Medicare	BUY	1,600	1,315
24	Sun Pharmaceutical Industries	BUY	1,875	1,783
25	Sunteck Realty	BUY	600	432
26	Torrent Pharmaceuticals	Accumulate	4,200	4,092
27	Zydus Lifesciences	Accumulate	1,020	928

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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